



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

NOV 07 2005

James T. Cowdery, Esq.
Cowdery, Ecker & Murphy, LLC
750 Main Street
Hartford, Connecticut 06103-2703

RE: MUR 5453
James S. Paolino

Dear Mr. Cowdery:

On November 2, 2005, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. §§ 441a(f), 434(a)(1) and (b)(2), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to James S. Paolino. Please be advised that the civil penalty in this agreement reflects unusual factors brought forth during the investigation.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1505

Sincerely,

A handwritten signature in cursive script that reads "Christine C. Gallagher".

Christine C. Gallagher
Attorney

Enclosure
Conciliation Agreement

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ORIGINAL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 5453

James S. Paolino

CONCILIATION AGREEMENT

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

1 2005 OCT 24 P 12:49

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). Based upon available information, the Commission found reason to believe former treasurer James S. Paolino ("Respondent") violated 2 U.S.C. § 441a(f) in his personal capacity.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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IV. The pertinent facts in this matter are as follows: ¹

1. The Giordano Congressional Exploratory Committee ("the Committee") is a political committee within the meaning of 2 U.S.C. § 431(4), and was authorized by Philip Giordano ("the candidate") for his 2000 senatorial campaign.

2. In 2000, Respondent was the treasurer of the Committee.

3. 2 U.S.C. § 441a(f) prohibits any officer or employee of a political committee from knowingly accepting a contribution made for the benefit or use of a candidate in violation of any limitation imposed on contributions and expenditures.

4. Prior to the implementation of BCRA, individuals were permitted to make contributions that did not exceed \$1,000 per election of any candidate for federal office.

See 2 U.S.C. § 441a(a)(1).

5. Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of the Act. *See* 2 U.S.C. § 434(a)(1). Each report required to be filed under section 434(a)(1) shall disclose the total amount of all receipts received by the Committee for the reporting period. *See* 2 U.S.C. § 434(b)(2).

6. In July 2000, Respondent, as treasurer of the Committee, accepted an intra-family contribution in excess of \$1,000 in the form of a certificate of deposit pledged as collateral for a bank loan to the Committee. Specifically, the candidate's father-in-law, made an excessive contribution to the Committee by gifting \$300,000 to Mr. and Mrs. Giordano in July 2000, which was simultaneously placed in a certificate of deposit and pledged as collateral for a

¹ All of the facts recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are to the Act as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA. All statements of the law in this agreement that are written in the present tense shall be

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1 bank loan to the Committee. The excessive portion of the intra-family contribution to the
2 Committee, received and not refunded by Respondent is \$298,000.

3 7. From on or about April 18, 2000 through on or about July 1, 2000,
4 Respondent underreported the Committee's receipts by \$21,425 on disclosure reports that he
5 prepared as treasurer. During the aforesaid time period, there was \$36,075 in itemized funds, and
6 \$25.00 in unspecified funds, deposited into the Committee's bank account which were not
7 reported on the Committee's disclosure reports prepared by Respondent. In addition, the
8 Respondent disclosed \$14,675 in un-itemized receipts on the Committee's disclosure reports,
9 which could not be matched to the bank deposits. Therefore, there is a total of \$21,425.00 in
10 bank deposits to the Committee's bank account (\$36,075.00 [+ \$25.00] - \$14,675 = \$21,425),
11 which are not reported on the Committee's disclosure reports prepared by Respondent.

12 V. Respondent, in his personal capacity, violated 2 U.S.C. § 441a(f) by knowingly
13 accepting, on behalf of the Committee, an excessive contribution from an individual, and not
14 refunding that contribution.

15 VI. Respondent, in his personal capacity, violated 2 U.S.C. §§ 434(a)(1) and (b)(2) by
16 his failure to disclose the Committee's total amount of receipts on disclosure reports for the
17 reporting periods during which he was treasurer.

18 VII. 1.
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2. In light of these circumstances, the Respondent will pay a civil penalty to the Federal Election Commission in the amount of Five Thousand Five Hundred Dollars (\$5,500) pursuant to 2 U.S.C. § 437g(a)(5)(A).

3. Respondent will cease and desist from violating 2 U.S.C. §§ 441a(f), 434(a)(1) and (b)(2).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Unless specifically noted otherwise, Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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XI This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.


FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY: 
Rhonda J. Vosdinger
Associate General Counsel for Enforcement

11/2/05
Date

FOR THE RESPONDENT:


Name: James S. Paolino
Position:

10/21/05
Date